

HB 4692

FILED

2008 MAR 28 PM 4: 29

OFFICE OF THE
SECRETARY OF STATE

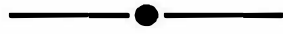
WEST VIRGINIA LEGISLATURE
SECOND REGULAR SESSION, 2008



ENROLLED

**COMMITTEE SUBSTITUTE
FOR
House Bill No. 4692**

(By Delegates White and Kominar)



Passed March 7, 2008

In Effect Ninety Days from Passage

ENROLLED

COMMITTEE SUBSTITUTE

FOR

H. B. 4692

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OFFICE OF THE
SECRETARY OF STATE

(BY DELEGATES WHITE AND KOMINAR)

[Passed March 7, 2008; in effect ninety days from passage.]

AN ACT to amend and reenact §12-1-4 and §12-1-5 of the Code of West Virginia, 1931, as amended, all relating to giving depositories of state moneys authority to place deposits of those moneys in certificates of deposit which meet certain requirements in lieu of providing a bond or security; and permitting depositories of state moneys to insure such deposits in excess of the amount insured by an agency of the federal government with a deposit guaranty bond issued by a bankers surety company.

Be it enacted by the Legislature of West Virginia:

That §12-1-4 and §12-1-5 of the Code of West Virginia, 1931, as amended, be amended and reenacted, all to read as follows:

ARTICLE 1. STATE DEPOSITORIES.

§12-1-4. Bonds to be given by depositories.

- 1 (a) Before allowing any money to be deposited with any
- 2 eligible depository in excess of the amount insured by an
- 3 agency of the federal government or insured by a deposit
- 4 guaranty bond issued by a valid bankers surety company


5 acceptable to the treasurer, the State Treasurer shall require
6 the depository to give a collaterally secured bond, in the
7 amount of not less than ten thousand dollars, payable to the
8 State of West Virginia, conditioned upon the prompt
9 payment, whenever lawfully required, of any state money, or
10 part thereof, that may be deposited with that depository, or of
11 any accrued interest on deposits. The bond shall be a
12 continuous bond but may be increased or decreased in
13 amount or replaced by a new bond with the approval of the
14 State Treasurer. The collateral security for the bond shall
15 consist of bonds of the United States, or bonds or letters of
16 credit of the federal land banks, of the federal home loan
17 banks, or bonds of the State of West Virginia or of any
18 county, district or municipality of this state, or other bonds,
19 letters of credit, or securities approved by the treasurer. All
20 bonds so secured are here designated as collaterally secured
21 bonds. Withdrawal or substitution of any collateral pledged
22 as security for the performance of the conditions of the bond
23 may be permitted with the approval in writing of the
24 treasurer. All depository bonds shall be recorded by the
25 treasurer in a book kept in his or her office for the purpose,
26 and a copy of the record, certified by the treasurer, shall be
27 prima facie evidence of the execution and contents of the
28 bond in any suit or legal proceeding. All collateral securities
29 shall be delivered to or deposited for the account of the
30 treasurer of the State of West Virginia and in the event said
31 securities are delivered to the treasurer, he or she shall
32 furnish a receipt therefor to the owner thereof. The treasurer
33 and his or her bondsmen shall be liable to any person for any
34 loss by reason of the embezzlement or misapplication of the
35 securities by the treasurer or any of his or her employees, and
36 for the loss thereof due to his or her negligence or the
37 negligence of his or her employees; and the securities shall be
38 delivered to the owner thereof when liability under the bond
39 which they are pledged to secure has terminated. The
40 treasurer may permit the deposit under proper receipt of the
41 securities with one or more banking institutions within or
42 outside the State of West Virginia and may contract with any
43 institution for safekeeping and exchange of any collateral
44 securities and may prescribe the rules for handling and
45 protecting the collateral securities.


46 (b) A banking institution is not required to provide a bond
47 or security in lieu of bond if the deposits accepted are placed
48 in certificates of deposit meeting the following requirements:
49 (1) The funds are invested through a designated state
50 depository selected by the treasurer; (2) the selected
51 depository arranges for the deposit of the funds in certificates
52 of deposit in one or more banks or savings and loan
53 associations wherever located in the United States, for the
54 account of the state; (3) the full amount of principal and
55 accrued interest of each certificate of deposit is insured by the
56 Federal Deposit Insurance Corporation; (4) the selected
57 depository acts as custodian for the state with respect to such
58 certificates of deposit issued for the state's account; and (5)
59 at the same time that the state's funds are deposited and the
60 certificates of deposit are issued, the selected depository
61 receives an amount of deposits from customers of other
62 financial institutions wherever located in the United States
63 equal to or greater than the amount of the funds invested by
64 the state through the selected depository.

§12-1-5. Limitation on amount of deposits.

1 The amount of state funds on deposit in any depository in
2 excess of either the amount insured by an agency of the
3 federal government or the amount insured by a deposit
4 guaranty bond issued by a valid bankers surety company
5 acceptable to the treasurer shall not exceed ninety percent of
6 the value of collateral pledged on the collaterally secured
7 bond given by the depository. The value of the collateral
8 shall be determined by the treasurer.

That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.


Chairman Senate Committee

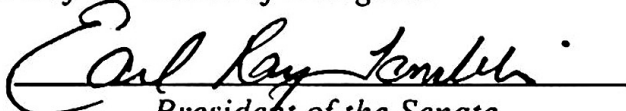

Chairman House Committee

Originating in the House.

In effect ninety days from passage.


Clerk of the Senate


Clerk of the House of Delegates


President of the Senate


Speaker of the House of Delegates

The within is approved this the 28th
day of March, 2008.


Governor

GOVERNOR

MAR 19 2008

Time 10:15 am